

Message Text

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PAGE 01 STATE 104701
ORIGIN ARA-10

INFO OCT-01 SS-15 NSC-05 ISO-00 SIG-01 EB-07 COME-00
STR-04 TRSE-00 CIAE-00 INR-07 NSAE-00 L-03 AID-05
ITC-01 AGR-05 EPG-02 SSO-00 NSCE-00 INRE-00 H-01
/067 R

DRAFTED BY ARA:TERENCE A. TODMAN
APPROVED BY ARA:TERENCE A. TODMAN
S/S:A. OTTO
NSC- MR. PASTOR
S:JCAHILL

-----070521Z 065406 /12

O 070342Z MAY 77
FM SECSTATE WASHDC
TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

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FOR AMBASSADORS FROM TODMAN

E.O. 11652: N/A

TAGS: ETED, LA

SUBJECT: PRESIDENT MEETS WITH LATIN AMERICAN AMBASSADORS
ON SUGAR

1. PRESIDENT CARTER MET AFTERNOON OF MAY 3 WITH AMBASSADORS OF PERU, BRAZIL, THE DOMINICAN REPUBLIC, COSTA RICA AND TRINIDAD TO DISCUSS U.S. SUGAR POLICY. SINCE IT WAS NOT POSSIBLE FOR THE PRESIDENT TO MEET WITH REPRESENTATIVES OF ALL LATIN AMERICAN SUGAR PRODUCING COUNTRIES, THIS GROUP WAS CHOSEN TO REFLECT MAJOR PRODUCERS, GEOGRAPHIC REGIONS WITHIN THE HEMISPHERE, AND OTHER FACTORS. GROUP WAS ADVISED PRIOR TO MEETING THAT THEY SHOULD CONSULT
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WITH THEIR COLLEAGUES AND REPRESENT ALL LATIN AMERICAN COUNTRIES.

2. THE PRESIDENT BEGAN BY NOTING THAT MEETING WAS IN KEEPING WITH HIS STATEMENT BEFORE THE OAS THAT HE WOULD CONSULT IN ADVANCE WITH LATIN AMERICANS ON ISSUES OF IMPORTANCE TO THEM. HE THEN INDICATED THAT THE INTER-

NATIONAL TRADE COMMISSION (ITC) HAD MADE A NUMBER OF RECOMMENDATIONS ON SUGAR AND ASKED FOR THEIR VIEWS.

3. BY ADVANCE AGREEMENT, AMBASSADOR MCINTYRE OF TRINIDAD & TOBAGO ACTED AS SPOKESMAN AND PRESENTED THE FOLLOWING POINTS:

-- AT A RECENT OAS MEETING, THE LATIN AMERICANS HAD REACHED A CONSENSUS REGARDING SUGAR.

-- SUGAR IS EXTREMELY IMPORTANT TO LATIN AMERICAN ECONOMIES AS A MAJOR FOREIGN EXCHANGE EARNER AND BECAUSE IT IS LABOR INTENSIVE.

-- ANYTHING THAT DESTABILIZES THE SUGAR MARKET WOULD AFFECT THE SOCIETIES THEMSELVES.

-- LATIN AMERICAN COUNTRIES LOOK FORWARD TO A NEW INTERNATIONAL SUGAR AGREEMENT AND TO FAIR PRICES.

-- THERE SHOULD BE SOME ATTEMPT TO INDEX THE PRICE TO COMPENSATE FOR EROSION TO EARNINGS CAUSED BY INFLATION.

-- THE U.S. SHOULD NOT ADOPT A QUOTA SYSTEM, BUT IF THERE IS TO BE ONE, IT SHOULD BE ON A COUNTRY-BY-COUNTRY BASIS.

-- GSP PROVISIONS SHOULD APPLY TO SUGAR AND IT IS LIMITED OFFICIAL USE

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UNCLEAR WHY SOME COUNTRIES HAD BEEN EXCLUDED FROM GSP.

4. THE PRESIDENT OBTAINED THE CLEAR AGREEMENT OF THE AMBASSADORS NOT TO DISCLOSE HIS REMARKS IN VIEW OF THE EFFECT THIS COULD HAVE ON THE SUGAR MARKET AND SINCE WE HAD NOT EVEN FULLY CONSULTED WITH CONGRESS. HE THEN SAID THAT WE WILL MOVE AGGRESSIVELY FOR A NEW INTERNATIONAL SUGAR AGREEMENT WHICH WE SEE AS ONE AVENUE TO STABILIZE PRICES AT AN APPROPRIATE LEVEL. WE WOULD AVOID REIMPOSITION OF QUOTAS. HE REMARKED THAT U.S. COST WAS BETWEEN 11 AND 15 CENTS A POUND AND WE WOULD WANT THE PRICE MAINTAINED AS AN INCENTIVE AND A JUST RECOMPENSE TO PRODUCERS. HE SAID THAT WE WOULD CONTINUE SUGAR ON GSP BUT COULD NOT SAY WHICH COUNTRIES WOULD BE INCLUDED. HE EXPECTED THAT A RECOMMENDATION AND DECISION ON GSP ELIGIBILITY WOULD BE MADE AFTER HIS RETURN FROM EUROPE. HE NOTED THAT DECISIONS REGARDING SUGAR ARE VERY DIFFICULT TO MAKE BECAUSE THERE ARE MAJOR PRODUCERS IN THE UNITED STATES. CONGRESSIONAL INTEREST IS HIGH, AND IN

ANY CASE HE HAS THE RESPONSIBILITY TO PROTECT THE DOMESTIC MARKET. HIS INCLINATION IS TO FIND A REASONABLE SUPPORT LEVEL AND NOT HAVE QUOTAS. HE WOULD TRY TO MAKE A DECISION BEFORE LEAVING ON THURSDAY AND WILL HAVE AN HOUR'S

ADVANCE NOTICE GIVEN TO THE AMBASSADORS OF HIS DECISION.

5. AMBASSADOR SILVA OF COSTA RICA SUGGESTED THAT ITC DECISIONS TEND TO KEEP THE ADMINISTRATION AND THE EXPORTING COUNTRIES ON THE DEFENSIVE. THE PRESIDENT RESPONDED THAT HE OBVIOUSLY FEELS THAT PRESSURE MOST BUT ASKED FOR UNDERSTANDING. THE ITC MUST ACT IN ACCORDANCE WITH THE LAW AND MAKE RECOMMENDATIONS TO PROTECT THE INDUSTRY CONCERNED. HE AGREED WITH THE ARGUMENT THAT THE MORE THE LESSER ADVANCED COUNTRIES CAN SELL TO US, THE MORE EARNINGS THEY WILL HAVE WITH WHICH TO BUY U.S. PRODUCTS.

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6. AMBASSADOR SILVA ALSO ASKED ABOUT THE TARIFF INCREASE WHICH HAD BEEN IMPOSED LAST SEPTEMBER. THE PRESIDENT PROMISED TO STUDY BUT EMPHASIZED THAT HE COULD MAKE NO PROMISES. HE SAID THAT WHILE QUOTAS ARE ATTRACTIVE, HE PREFERS OPEN TRADE. BUT THE AMBASSADORS SHOULD BEAR IN MIND THAT CONGRESS CAN OVERRIDE, AND HE MUST TAKE THAT INTO ACCOUNT IN HIS DECISIONS. HE INDICATED THAT HIS MEETING WITH THEM WAS ONE STEP IN MAINTAINING THE ADVANCE CONSULTATION AND THAT OTHER MEMBERS OF THE ADMINISTRATION, INCLUDING S.T.R. STRAUSS, DR. BRZEZINSKI AND ASSISTANT SECRETARY TODMAN, WILL BE CONSULTING WITH THEM ON OTHER MATTERS. HE INVITED THEM TO LET US KNOW OF THEIR CONCERNS AND TO KEEP THE LINES OF COMMUNICATION OPEN. CHRISTOPHER

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ORIGIN EB-03

INFO OCT-01 ARA-02 ISO-00 IO-02 /008 R

66011

DRAFTED BY EB/ICD/TRP:MADAIR:JMM

APPROVED BY EB/ICD/TRP:MADAIR

ARA/ECP:SROGERS

-----092021Z 101021 /41

O 092012Z MAY 77

FM SECSTATE WASHDC

TO USMISSION GENEVA IMMEDIATE

AMEMBASSY LONDON

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FOL RPT STATE 104701 ACTION ALL AMERICAN REPUBLIC
DIPLOMATIC POSTS 7 MAY 77 QUOTE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, POLICIES, DIPLOMATIC DISCUSSIONS, AMBASSADORS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE104701
Document Source: CORE
Document Unique ID: 00
Drafter: TERENCE A. TODMAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770160-0902
Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770582/aaaacsrk.tel
Line Count: 312
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Litigation History:
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Message ID: c0990799-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2607625
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT MEETS WITH LATIN AMERICAN AMBASSADORS ON SUGAR
TAGS: ETRD, US, XM, (CARTER, JIMMY)
To: ALL POSTS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c0990799-c288-dd11-92da-001cc4696bcc
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